USAID
FROM THE AMERICAN PEOPLE

UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

A.I.D. NO. 895-XXX-677-2011

PROGRAM IDENTIFICATION:
Chad PRRO 200289

PROGRAM APPROVAL DATE:
8/4/2011

PROGRAM TITLE:
World Food Program: Protracted Relief and Recovery Operation: Targeted food assistance for refugees and vulnerable people affected by malnutrition and recurrent food crises.

In accordance with the provisions of the Food for Peace Act, Title II (as amended), the Commodity Credit Corporation (CCC) is hereby authorized to transfer commodities listed below to the World Food Program (WFP) for use in its Chad program to meet the most urgent food needs of 1.6 million food insecure refugees (CAR and Sudan) and host country populations in Chad during the period from January 1, 2012 to December 31, 2013. This program is described in the Protracted Relief and Recovery Operation No. 200289 which is incorporated by reference as part of this agreement, except as otherwise specifically provided in this Transfer Authorization (TA).

The commodities reserved herein are valued at approximately $39, 991,700 inclusive of ocean, internal transport, storage and handling (ITSH), and 202(e) costs, pursuant to the following instructions:

Notwithstanding anything stated herein to the contrary, this TA only covers the provision of an in-kind contribution of commodities to WFP. This TA alone is not an obligating document and does not create a legal obligation or commitment on the part of FFP to make a monetary contribution to WFP. Costs/values identified in this TA, including those identified as "authorized," reflect amounts that FFP intends to provide to WFP, subject to the availability of funds, through separate obligating documents, in line with full-recovery principles.

1. COMMODITIES AUTHORIZED:

1.A. FY 2011 Program Quantities (Metric Tons) Approved:

Commodities	Previously Approved	Increase	Decrease	Total Metric Tons to Date
Vegetable oil, 4 Ltr	0	1,270	0	1,270
Corn Soy Blend	0	2,520	0	2,520
Peas, Split Yellow	0	5,000	0	5,000
Sorghum, bagged	0	2,000	0	2,000
Sorghum, bulk, w/bags	0	18,000	0	18,000
Total:	0	28,790	0	28,790

1.B. FY 2011 Commodities Authorized Herein:

Commodity	MTs	Estimated Value (000)
Vegetable oil, 4 Ltr	1,270	$ 1,803.0
Corn Soy Blend	2,520	$ 1,581.3
Peas, Split Yellow	5,000	$ 2,875.0
Sorghum, bagged	2,000	$ 600.0
Sorghum, bulk, w/ bags	18,000	$4,860.0
Total:	28,790	$ 11,719.7

1.C. Estimated FY 2011 U.S. Government Ocean and Inland Transportation, Internal Transport, Storage and Handling (ITSH) and 202(e) Costs for the Commodities Authorized in this TA, Not to Exceed the Following Amounts:

Freight and Funding	Estimated Costs (000)
Ocean	$ 4,130.9
Inland ($ 381.80/MT)	$ 10,992.0
ITSH	$ 9,868.7

202(e)	$ 3,280.3
Total:	$ 28,272.0

The total value of this TA in U.S. dollars is: $39,991,700 including $11,719,700 in commodity value for 28,790 MT; $4,130,900 in ocean freight; $10,992,00 in inland costs; $9,868,700 in ITSH at a rate of $125.76/MT; and $3,280,300 in 202(e) for the FY 2011 commodities authorized via this TA and proportional, allowable direct support costs (DSC), other direct operational costs (ODOC), and indirect support costs (ISC), as outlined in Section 3. FFP anticipates providing WFP with the requested supports costs required to receive the commodities described below.

2. **Ocean and Inland Transport Funding:** All actual ocean transportation costs will be charged to the FY 2011 WFP Emergency Ocean Freight Procurement Authorization (PA). All inland transportation expenditures under this program will be charged to the FY 2011 WFP Emergency Inland Freight Procurement Authorization (PA). Individual Purchase Authorizations will not be issued for this TA.

WFP will be responsible for requesting, in writing, an increase to the transport funding authorized herein when it is determined that actual costs will exceed the level approved. Copies of actual transport contracts must accompany a request for additional funding.

3. **Internal Transport, Storage and Handling (ITSH) Costs:** A total of $ 9,868,700 of ITSH funding is authorized by the Office of Food for Peace for the purposes of this TA. Estimated ITSH costs are being provided as follows:

ITSH	$3,620,600
Direct In-Country Support Costs (12.1%):	$5,363,000
Other Direct Operational Costs (12.1%):	$885,100
Indirect In-Country Support Costs (3.0%):	$0
Total:	**$9,868.7**

Direct Support Costs (DSC) are calculated based on the total DSC requirements per Annex 1 of PRRO 200289 MINUS the following line items:

- none

Other Direct Operational Costs (ODOC) are calculated on the total ODOC requirements per Annex 1 of PRRO 200289 MINUS the following line items:

- Cargo Insurance ($1,541,700)

Our contribution for DSC and ODOC is based on FFP's contribution of 28,790 MTs representing 12.1 percent of the total WFP program needs of 237,543 MTs.

ITSH funding for the purposes of this TA, henceforth refers to those costs WFP identifies as LTSH, Direct Monitoring and Logistics Support Costs (DSC & ODOC), and In-Country Indirect Supports Costs that have been approved for funding by FFP in accordance with FFP policy guidance.

4. **202(e) Costs:** A total of $3,283,300 of 202(e) funding is authorized by the Office of Food for Peace for the purposes of this TA. Estimated 202(e) costs are being provided as follows:

Direct In-Country Support Costs (DSC) eligible for 202(e) (12.1%):	$595,900
Other Direct Operational Costs (ODOC) eligible for 202(e) (12.1%):	$95,000
In-Country Support Costs (ISC) eligible for 202(e) (3.0%):	$1,109,800
Indirect Headquarters Support Costs (ISC) eligible for 202(e) (4.0%):	$1,479,700
Total:	$3,280,300

Direct Support Costs (DSC) eligible for 202(e) are calculated based on total 202(e) requirements per Annex 1 of PRRO 200289 MINUS the following line items:

- none

Other Direct Operational Costs (ODOC) eligible for 202(e) are calculated based on total 202(e) requirements per Annex 1 of PRRO 200289 MINUS the following line items:

- none

Our contribution for DSC and ODOC is based on FFP's contribution of 28,790 MTs representing 12.1% of the total WFP program needs of 237,543 MTs.

202(e) funding, for the purposes of this TA, henceforth refers to those costs WFP identifies as helping to meet specific administrative, management, personnel and internal transportation and distribution costs for carrying out Title II programs and includes Direct Support Costs, Other Direct Operating Costs, and Headquarters Indirect Support Costs that have been approved for funding by FFP in accordance with FFP policy guidance.

These costs are to be funded as follows:

A FY 2011 PRRO Procurement Authorization and Purchase Requisition (PA/PR) 200289 ("to be established") associated with an Agency-issued Letter of Credit shall be issued to WFP for the costs outlined above.

Expenditures against the PA/PR grant established for approved ITSH funds for this country shall not exceed the amount indicated in this document. WFP agrees to continue to determine and report to FFP/POD the amount of unliquidated balances in PA/PRs issued in prior years.

5. Commodity Specifications: All commodities will meet standard USDA specifications.

6. Shipping Instructions:

a) Calls forward submitted by WFP to DCHA/FFP and shall include the following information:

. Delivery Schedule - Load Port Date
. Port of Discharge
. Consignee Names
. Notify Party Names and Addresses

b) Send Bills of Lading/Phytosanitary Distribution to the following:

1. One negotiable copy and one phytosanitary certificate to consignee via international courier.
2. One negotiable copy to consignee.
3. Original and two copies to: USAID Transportation Division, USAID/M/OAA/TRANS, 1300 Pennsylvania Avenue, Washington, DC, 20523, Attention: Chief
4. One copy to: USAID/DCHA/FFP, 1300 Pennsylvania Avenue, Washington, DC, 20523, Attention: Chief, Program Operations Division

c) Transportation: The United States Government will be responsible for all arrangements and costs incurred in the procurement, inspection, and delivery of the commodities authorized herein F.A.S. or F.O.B. vessel at designated U.S. ports. WFP will be responsible for arranging ocean, inland and internal transportation required for this project. Transportation arrangements should be implemented consistent with the terms and conditions established in Section III of the Title II Standard Provisions mutually agreed upon by WFP and USAID on January 9, 2003.

WFP will be responsible for survey and claims activities for all food commodities provided herein.

7. WFP 2011 Program Objectives, Uses of Commodity and Conditions of Transfer:

7.A. Program Objectives:

The goal of Chad PRRO 200289 is to help to reduce hunger and malnutrition in a complex emergency context by providing food aid for 1.6 million people from January 2012 to December 2013. The immediate objectives are to:
1.) Ensure adequate food consumption to food insecure households and refugees targeted.

2.) Reduce the prevalence of acute malnutrition among children under 5 and pregnant and lactation women.
3.) Strengthen the livelihoods of targeted communities to strengthen their resilience to shocks and their adaptation to climatic hazards.
4.) Rebuild livelihoods and food security of communities and households by providing access to productive assets in the post-conflict area.
5.) Build the capacity of the Government to reduce food insecurity by supporting early warning and responses to food crises.

7.B. Uses of Commodity:

The resources authorized herein are donated by the USG to support food assistance to 1.6 million refugees, internally displaced persons (IDPs), women and children, and other vulnerable beneficiaries in the Chad.

Restrictions:
No resources are to be used to support the pilot activity to prevent chronic malnutrition among pregnant and lactating women and children aged 6-23 months.

Consistent with numerous United Nations Security Council resolutions, including **S/RES/1269 (1999) (http://www.undemocracy.com/S-RES-1269(1999).pdf)**, **S/RES/1368 (2001) (http://www.undemocracy.com/S-RES-1368(2001).pdf)**, and **S/RES/1373 (2001) (http://www.undemocracy.com/S-RES-1373(2001).pdf)**, both WFP and USAID are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, WFP undertakes to use reasonable efforts to ensure that none of the USAID funds provided under the award are used to provide support to individuals or entities associated with terrorism.

7.C. Conditions of Transfer:

1. WFP is solely responsible for appropriate utilization of these commodities, for monitoring their use and for reporting on this program.

2. WFP agrees that commodities made available under this agreement shall be distributed without regard to the political affiliation, geographic location, ethnic, tribal or religious identity of the recipients, and without regard to factors other than need.

3. WFP agrees that the military force of any government or insurgent groups shall not distribute, handle or allocate any of the commodities furnished under this TA without approval of the Director of the Office of Food for Peace (FFP).

4. WFP shall provide reports to the USG that include the following information:

a) Number and types of beneficiaries targeted and reached, by location of distribution and by gender and age where available;
b) Any change (from proposal or previous report) in key information, such as number and types of beneficiaries, ration levels, and location of distribution (where possible, provide assessment and reassessment reports, including from secondary sources);
c) Whether the program (i) improved or (ii) maintained nutritional status of the beneficiaries;
d) Activities implemented by local host entities or joint activities undertaken; and
e) Progress (or progress not made) in meeting the stated primary objective(s) for the program.

5. WFP shall provide to DCHA/FFP an accounting of the ITSH costs supported by this agreement and shall revise its estimates, based on a review of actual costs, at least once every six months for the period of the Emergency. Adjustments to authorized ITSH amounts will be considered, but the Office of Food for Peace reserves the right to limit its ITSH contribution to the WFP program. WFP will furnish the USG such other reports and information as the USG may reasonably request concerning the implementation of the program.

6. Payments for indirect support costs will be used for PSA expenditures in full and will not flow to the PSA Equalization Account. All PSA expenditures will be paid on a reimbursement basis only.

7. WFP certifies that (1) there is adequate storage available in the region for these commodities; and (2) the provision of these commodities will not result in a substantial disincentive to or interference with local production or marketing.

8. WFP shall provide **within 30 days** of signature the following:

(a) A detailed matrix of program costs associated with this contribution. This matrix should include a break-out, by commodity type and tonnage provided, of the contribution as a percentage of the total program requirements; the commodity value; ocean freight; Inland/Overland costs (when applicable); ITSH; 202(e); direct support costs; in-country indirect support costs (including a break out of non-food items and milling costs); and reasonable, allowable, and allocable headquarters indirect support costs;
(b) An "Assessment of ITSH Costs" report for the country program, detailing the information used to formulate the program's ITSH rate.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

8-11-11

John Brannaman
Acting Director
Office of Food for Peace
Bureau for Democracy, Conflict and Humanitarian Assistance
U.S. Agency for International Development

Date

Request and Acceptance: The assistance described in this Transfer Authorization is hereby requested and the terms and conditions of this Agreement and of the Title II Standard Provisions mutually agreed upon by WFP and USAID on January 9, 2003, and incorporated herein by reference, except as otherwise specifically provided herein, are hereby accepted.

FOR THE WORLD FOOD PROGRAM

8/11/11

Signature

Date

Name: ALLAN JURY

Title: DIRECTOR, WFP US RELATIONS OFFICE